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**NOTICE TO JOINT LEGISLATIVE COMMITTEE ON LOCAL GOVERNMENT OF
PROPOSED LOCAL GOVERNMENT FINANCING**

April 4, 2012

Joint Legislative Committee on Local Government
North Carolina General Assembly
16 West Jones Street
Raleigh, North Carolina 27601
Attention Committee Chairs; Committee Assistant

Fiscal Research Division
North Carolina General Assembly
300 North Salisbury Street, Suite 619
Raleigh, North Carolina 27603-5925
Attention: Interim Director

***Housing Authority of the City of Durham
Multifamily Housing Revenue Bonds, Series 2012
(Foundation for Affordable Housing Portfolio Project)***

We are bond counsel for the Housing Authority of the City of Durham (the "Authority") in connection with the proposed issuance of its Multifamily Housing Revenue Bonds (Foundation for Affordable Housing Portfolio Project), Senior Series 2012A and Subordinate Series 2012B (the "Bonds") in an aggregate amount not to exceed \$9,800,000. The proceeds of the Bonds will be loaned to Pine Glen Limited Partnership, a North Carolina limited partnership, or an affiliated or related entity (the "Borrower"), for the purpose of providing all or part of the funds with which to pay the cost of the acquisition and renovation of an existing low and moderate income multifamily residential rental facility known as Greens of Pine Glen Apartments (the "Project"). The Project consists of 168 two- and three-bedroom units, located at 6201 Pine Glen Trail, Durham, Durham County, North Carolina.

The Bonds will be issued under Chapter 157 of the North Carolina General Statutes (the "Act") and a Trust Indenture between the Authority and Wells Fargo Bank, National Association, as Trustee (the "Indenture"). The proceeds of the Bonds will be loaned to the Borrower under a Loan Agreement between the Authority and the Borrower. The Borrower will promise to pay amounts sufficient to pay principal, premium, if any and interest on the Bonds when due. The Borrower's obligation will be secured by a deed of trust on the Project. The Borrower and the Authority will file restrictive covenants requiring that the Project be operated as a "qualified residential rental facility," under the Code and as a facility that provides housing for persons of low or moderate income under the Act for the longer of the term of the Bonds or 15 years. The Bonds do not represent or constitute a debt or pledge of the faith and credit of the Authority, the City of Durham, the State of North Carolina, or any political subdivision thereof. Principal of and premium (if any) and interest on the Bonds are payable solely from the revenues pledged pursuant to the Indenture.



Joint Legislative Committee on Local Government
Fiscal Research Division
April 3, 2012
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This notice is provided pursuant to N.C. Gen. Stat. §120-157.2(a). The Authority expects that the North Carolina Local Government Commission ("LGC") will consider the issuance of the Bonds for approval at the LGC's meeting scheduled for June 5, 2012. We are delivering this notice on behalf of the Authority and the Borrower in accordance with directions provided by the LGC in Memorandum No. 2012-02 dated July 25, 2011.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Mary Nash K. Rusher".

Mary Nash K. Rusher, Esq.
Bond Counsel

cc: Vance Holloman, Secretary
Local Government Commission
NC Department of State Treasurer
325 N. Salisbury Street
Raleigh, NC 27603-1385